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AIMCO INDUSTRIES LIMITED · ANNUAL REPORT 1968



Aimco manufacturing and warehousing facilities in Canada and the United States.



Cooksville, Ontario, 60,000 sq. ft. manufacturing, engineering, production control, marketing.



Cooksville; Executive Offices, 84,000 sq. ft. remanufacturing, warehousing.



Buffalo, New York, U.S. offices, 30,000 sq. ft. manufacturing, warehousing and wholesaling.

Aimco Industries Limited

Highlights:

Sales	\$11,546,216
Net income	\$ 415,583
Earnings per common share	69¢
Number of shares outstanding	605,661
Working capital	\$ 2,760,274
Total assets	\$ 7,879,631

Directors

Nathan Goodman
Irving B. Goodman
William F. Purves
Harry L. Mendelson, Q.C.
Winfield A. Green

Officers

Nathan Goodman—Chairman of the Board
Irving B. Goodman—President, Treasurer
Samuel Goodman—Secretary

Auditors

Thorne, Gunn, Helliwell & Christenson

Registrar, Transfer Agent and Trustee

National Trust Company Limited,
Toronto, Montreal, Winnipeg, Calgary, Vancouver
Shares listed on the Toronto Stock Exchange

Head Office

5150 Dixie Rd., Cooksville, Ontario

Divisions

Amalgamated Iron and Metal Company
Aimco Automotive Industries

Subsidiaries

Aimco Automotive Industries of Buffalo, Inc.,
Buffalo, New York
Seaway Salvage, Inc., Buffalo, N.Y.
636 Babcock Street, Inc., Buffalo, N.Y.

Cover: One of the battery of automatic welding machines in the Cooksville plant superimposed on a reproduction of Aimco Industries Limited stock certificate issued during 1968 and called for trading on the Toronto Stock Exchange on May 6, 1968.

The Company

- 2 Aimco Industries Limited is a multi-division company engaged in the manufacture and marketing of automotive parts. Your Canadian company is headquartered at 5150 Dixie Road, Cooksville, where it is located on 12 acres of company-owned property. Facilities totalling 250,000 square feet include an office building and two modern operations buildings. To service customers and warehouses in Canada and the U.S. the company maintains a fleet of 19 heavy duty diesel tractors and trailers which are maintained in a modern garage facility at Dixie Road.

History—In 1951 Amalgamated Iron and Metal and Aimco Automotive Parts Company were formed and provided the initial basis of your Company.

Mr. Nathan Goodman, founder and now Chairman of the Board, was subsequently joined by his brothers, C. Goodman, M. Goodman, I. B. Goodman, and S. Goodman. Today Mr. I. B. Goodman, President and Treasurer of Aimco Industries, is in charge of the day to day activities of all divisions and is responsible for the long range planning and growth programs. Mr. C. Goodman and Mr. S. Goodman continue to contribute their extensive experience in a management capacity.

Initial steps which started the growth programs and created the format of the company as it exists today were taken in 1953 when the manufacture of unlined brake shoes was started on a limited basis under the direction of I. B. Goodman.

Due to aggressive management and product acceptance, facilities were expanded and moved from McCaul Street to Dufferin Street, Toronto, which location is still used by the Amalgamated Iron and Metal Company Division.

In 1960 warehousing and distribution facilities were acquired in Buffalo, N.Y. and the Toronto operations of Aimco were moved to the present address on Dixie Road. The new plant facilities of 40,000 sq. ft. were expanded to 60,000 sq. ft. in 1961. Modern warehouse and office facilities of 44,000 sq. ft. were added in 1963 and in 1968 this was expanded to 84,000 sq. ft.

In 1968, to prepare for public financing, the company purchased Aimco Automotive Industries, Aimco Automotive Industries of Buffalo, Inc., Seaway Salvage, Inc., and 636 Babcock Street Inc. from members of the Goodman family. Later in the year the land and buildings on Dixie Road were

acquired at independently appraised value from family interests.

A policy of expansion, improved plant utilization, installation of new automated machinery, backed by sustained employee morale, have been responsible for the steady growth of the company.

Manufacturing: The manufacturing division located on Dixie Road produces from basic raw materials one of the most extensive line of vehicle brake shoes of any company in the world. For brake shoes alone, 12,000 tons of steel are processed through the plant each year. These parts are marketed under the Aimco Brand in Canada and the United States by our own sales force and in many other countries through our Export Division. The Aimco brand of automotive parts has earned a recognized position in replacement parts throughout the free world.

Manufacturing is the largest division, of which the principal products are unlined brake shoes, disc brakes and brake drums comprising over 300 different items for various vehicle models.

Remanufacturing: Consists of the rebuilding of automotive parts by adding new component parts to meet the stringent test requirements of vehicle manufacturers. This division merchandises new high quality component parts and used assemblies to rebuilders in Canada, U.S., and many international areas. It is recognized that Aimco is the largest rebuilders supply organization in Canada.

Scrap Metal: The scrap metal division, composed of Amalgamated Iron & Metal Company which is favorably located in the industrial area of Toronto, and Seaway Salvage which is located in the industrial area of Buffalo, operate as processors of scrap metal and automotive engines. These divisions are equipped with substantial metal processing equipment as well as a fleet of modern heavy duty trucks for servicing large industrial scrap accounts on a container system.

Buffalo: Aimco Automotive Industries of Buffalo Inc., is a wholly owned subsidiary located in a modern new facility of 30,000 sq. ft. in Buffalo, New York. This division functions as a warehouse for sale of Aimco products in U.S. markets and has recently been expanded by the installation of up-to-date automated machining equipment for the mass production of automotive brake drums.

Report of the Board of Directors to the Shareholders



Nathan Goodman



Irving B. Goodman

The directors of your company are proud to submit the first annual report subsequent to the company obtaining public financing in January, 1968.

Sales increased 33% to \$11.5 million from \$8.7 million (on a pro forma basis for the year ended July 31, 1967). Net income, however, increased 1% to \$415,583 from \$410,777. This equalled 69¢ per common share vs. 68¢ in 1967, on the basis of 605,661 shares outstanding at July 31, 1968, and 600,000 outstanding in 1967.

Administrative expenses on a corporate basis have proved heavier than when the principal operating entity was a partnership. Second half earnings have also been affected by a trade loss. Surtaxes in Canada and in the United States have increased the overall income tax rate. Other costs and operating expenses have been heavy as new products have been developed.

However, it appears that improved profit margins are likely to be obtained in the current fiscal year.

What had previously been a family group of companies was acquired on August 1, 1967 as part of the preparation for public financing. In January 25% of the company's capital stock was successfully marketed, and later in the year a listing was obtained on the Toronto Stock Exchange. Also in January the company's working capital needs were substantially satisfied by way of a \$2,000,000 new 7½% convertible debenture issue.

The company has continued to successfully penetrate world markets. Marketing emphasis has been concentrated on the sale of manufactured products in the United States. To this end, the company is expanding the "Aimco Line"

with a substantial product range under the merchandise slogan "Traditionally Dependable".

Investment in plant facilities has been substantial in 1968. The company has purchased the real estate on Dixie Road which was previously rented, and a 40,000 square foot addition was completed at year end.

The company now owns twelve acres of land, a substantial part of which is available for expansion.

The Manufacturing Division now provides 49% of the total sales of your company. Not only has product acceptance been exceptional, but the manufacture of previously purchased parts and components continues to provide vertical integration. Careful control of this phase of growth will create larger profit margins.

Our Buffalo subsidiaries continue to meet their objectives, and our expansion there has been fully justified. Aimco Buffalo has provided the distribution base for our United States sales. It will continue to serve this end but in addition, modern, highly automated equipment has been installed to produce brake drums from purchased castings.

The company has achieved success in the marketing of automobile parts to the replacement industry by providing a product quality equal to that of original equipment. Subsequent to the year end the company has entered the original equipment market. This phase of expansion continues to be seriously explored and as previously announced, the company continues to negotiate for the purchase of an established original equipment manufacturer.

In 1968 an employees' stock option plan was introduced, and management intends to continue to use this incentive to encourage employee ownership in the company. The devoted and sincere efforts of our employees in 1968 have assisted the company through a difficult year, the first as a public corporation, and the Board expresses its appreciation for their effort and looks forward to their continued support.

A handwritten signature in cursive script that reads "I. B. Goodman".

PRESIDENT

A handwritten signature in cursive script that reads "Nathan Goodman".

CHAIRMAN OF THE BOARD

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Manufacturing represents the major company activity. Along with the major products, brake shoes, disc brakes, and brake drums which enjoy a dominant market position, the company also manufactures "The Aimco Line" of clutch diaphragms, hubs, and pressure plates; starter drives, water pump impellers, rocker arm shafts and oil pump gears and shafts. Aimco brand identification established through introduction of new packaging and advertising in 1966 has established market acceptance and indicates further increased

business. The range of used parts marketed by Aimco is extensive. Major items are alternators, starters, clutches, engines and carburetors for all makes and models, many of which are no longer available from any other source.



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Press room and welding department of main manufacturing facility at Cooksville.



Growth and Diversification: In manufacturing, Aimco enjoys a favorable share of market in unlined brake shoes and brake drums in both Canada and the U.S.A. In other divisions its sound position is maintained through experience, contacts and a well established organization. Maintaining and increasing the share of market is achieved by rigid control of quality, improved manufacturing techniques, efficient plant operation and aggressive marketing.

Maintaining the dominant position in traditional product

lines, developing profitable new lines, and acquiring added facilities is the policy on which the company builds for the future.

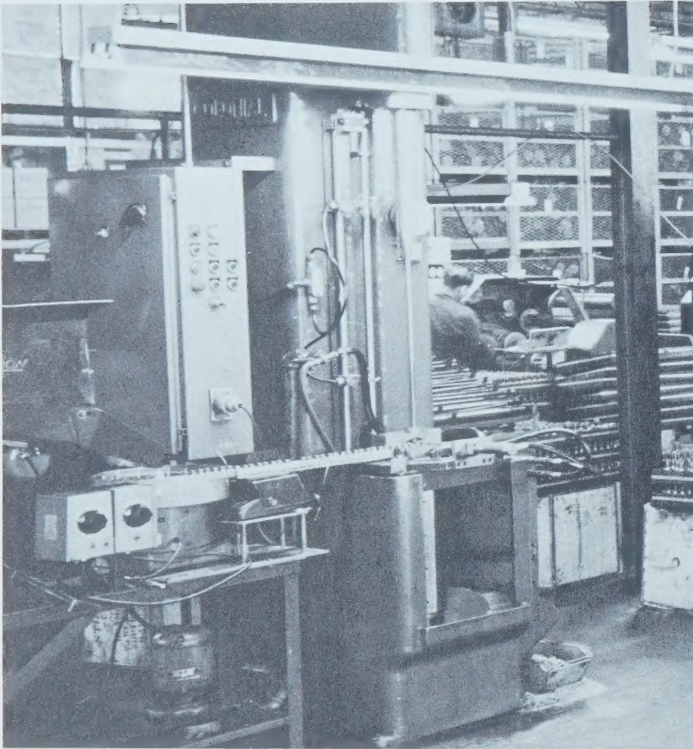
All parts are produced to specifications established by the Original Equipment Manufacturers.



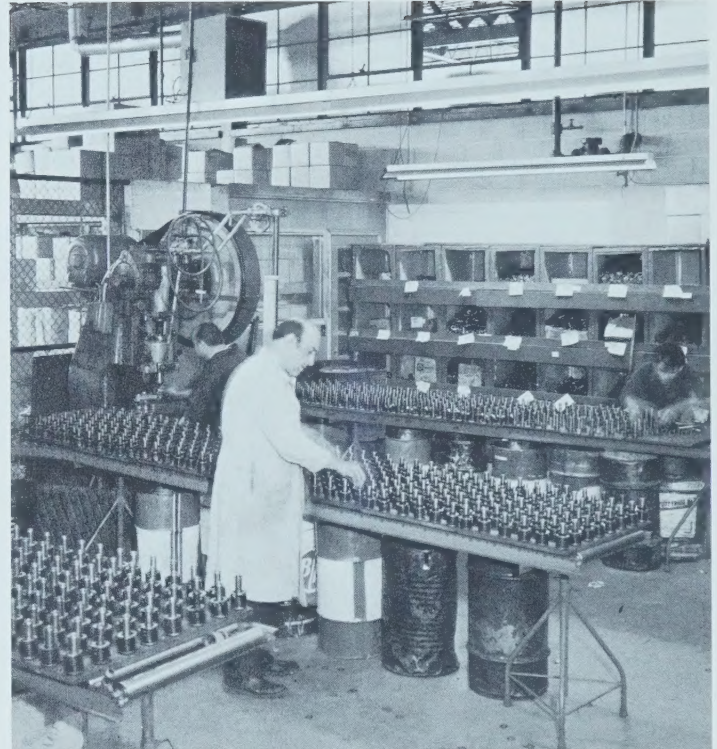
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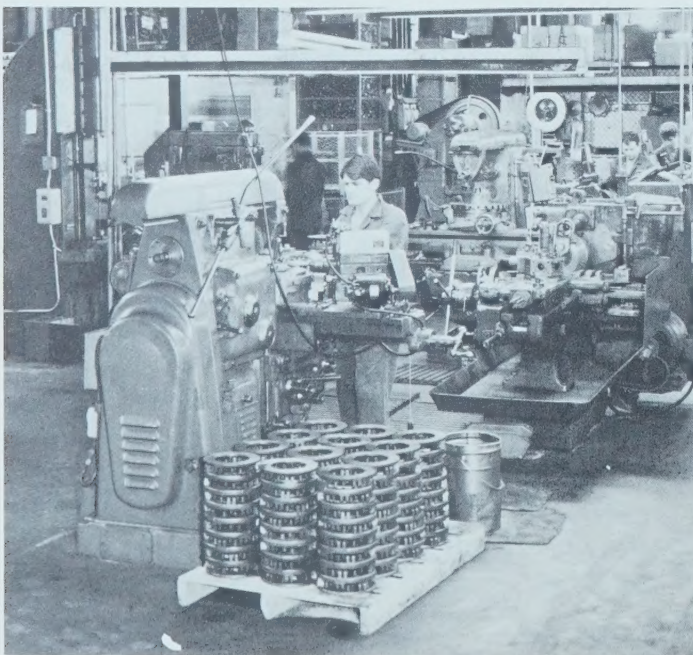
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Automated broaching of starter drive gears.



Assembly and inspection area for starter drives.



Precision machining of cast iron clutch plates.

Remanufacturing: Aimco began rebuilding auto parts in 1965. High standards of performance, equivalent in most instances to that of new parts, are expected by installers and users. To identify more clearly the quality control standards established and maintained through the Aimco name, the output of this division is now marketed as "remanufactured" parts.

Principal remanufactured products are starter drives, oil pumps and rocker arm assemblies, wiper motors, washer pumps and solenoid switches.

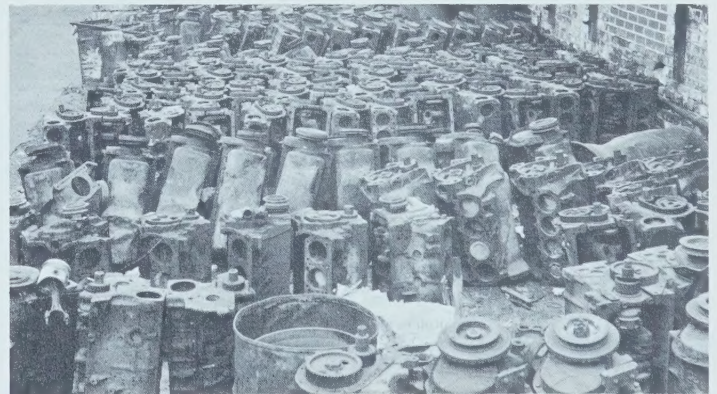
Scrap Metal: This aspect of the company's operations continues as an important phase of the business. It provides a steady source of profit and an established source of supply for many of the parts processed by the remanufacturing operation or sold through the used auto parts division. It also provides a direct, profitable outlet for the steady flow of scrap by-products of the manufacturing division. It is vital to the overall integration of company operations and profits.



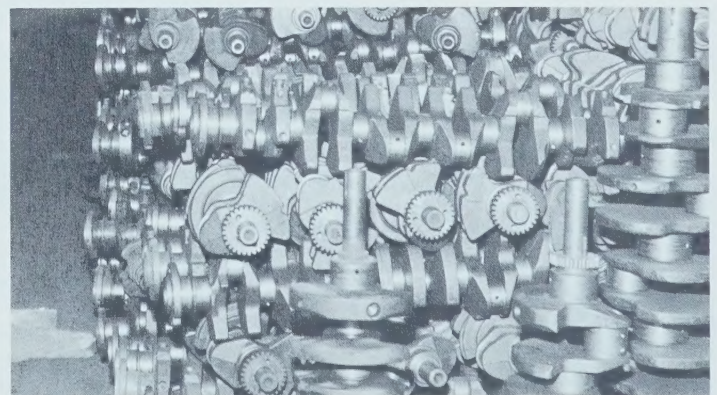
One of our fleet of modern diesel powered load luggers for handling and transporting scrap hoppers between customers' plants and company yards.



Magnetic crane used in scrap handling at the Dufferin Street Yard of Amalgamated Iron and Metal Company.



Stock of used engines available for resale to the engine rebuilders.



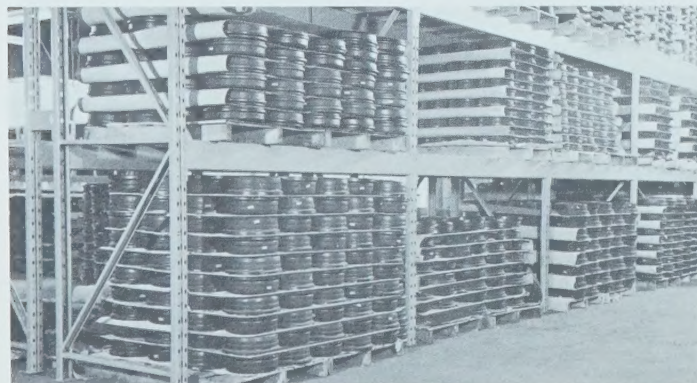
Stock of used crankshafts for sale to the engine rebuilders and crankshaft reproducers.



Partial view of modern warehouse facilities for "Aimco Line" incorporating over 1000 different items.



An extensive inventory of automotive alternators, generators, and starters for all engines.



Partial view of extensive inventory of brake drums, disc drum and wheel attaching parts totalling 430 line items.

Warehousing : This division markets automotive electrical products, parts and components. Through the warehousing division, Aimco is a major supplier of new and used parts for companies serving the automotive rebuilding industry.

Rebuilders Supplies : With the steadily growing number of cars on the road and the gradual increase in the average age of cars in operation, the market for rebuilt auto parts continues to grow. In many instances these represent the only source of parts for old-model cars, particularly important in Latin America, South America and other countries where the cost of new cars is prohibitive and old cars have to be kept in operation. The most important factor contributing to the success of the rebuilt parts business is, of course, the savings and availability offered to car owners.

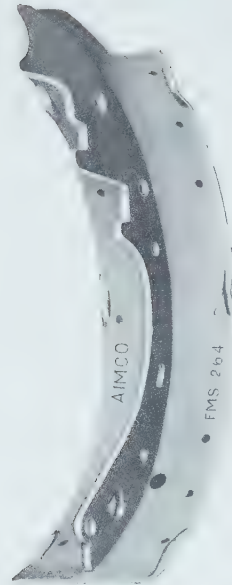
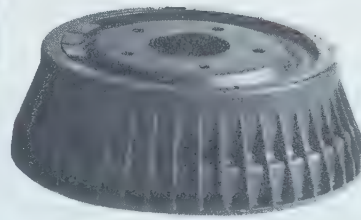
Automotive Components

Manufactured by Aimco



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Marketing and Distribution

Warehouse Facilities

Montreal, P.Q.
Toronto, Ont.
Winnipeg, Man.
Vancouver, B.C.

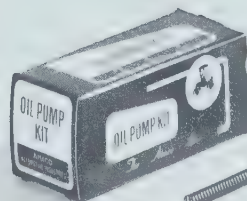
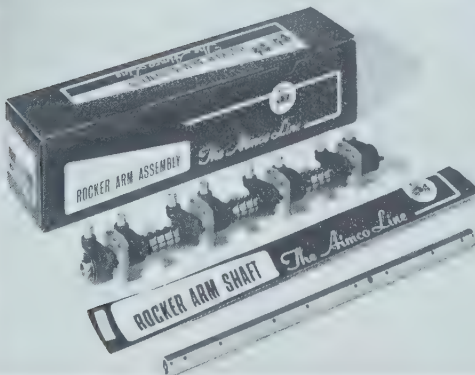
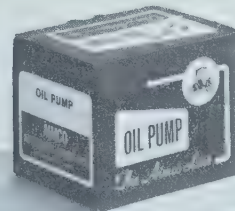
Buffalo, N.Y.
Philadelphia, Pa.
Dallas, Texas
San Francisco, Cal.
Los Angeles, Cal.

Distribution Points

All major centres in
Canada and the United
States.

Export

To all overseas markets



Brake Parts
Unlined Shoes
Truck Shoes
Disc Plates
Drums

Water Pump Parts
Impellers
Hubs
Bodies

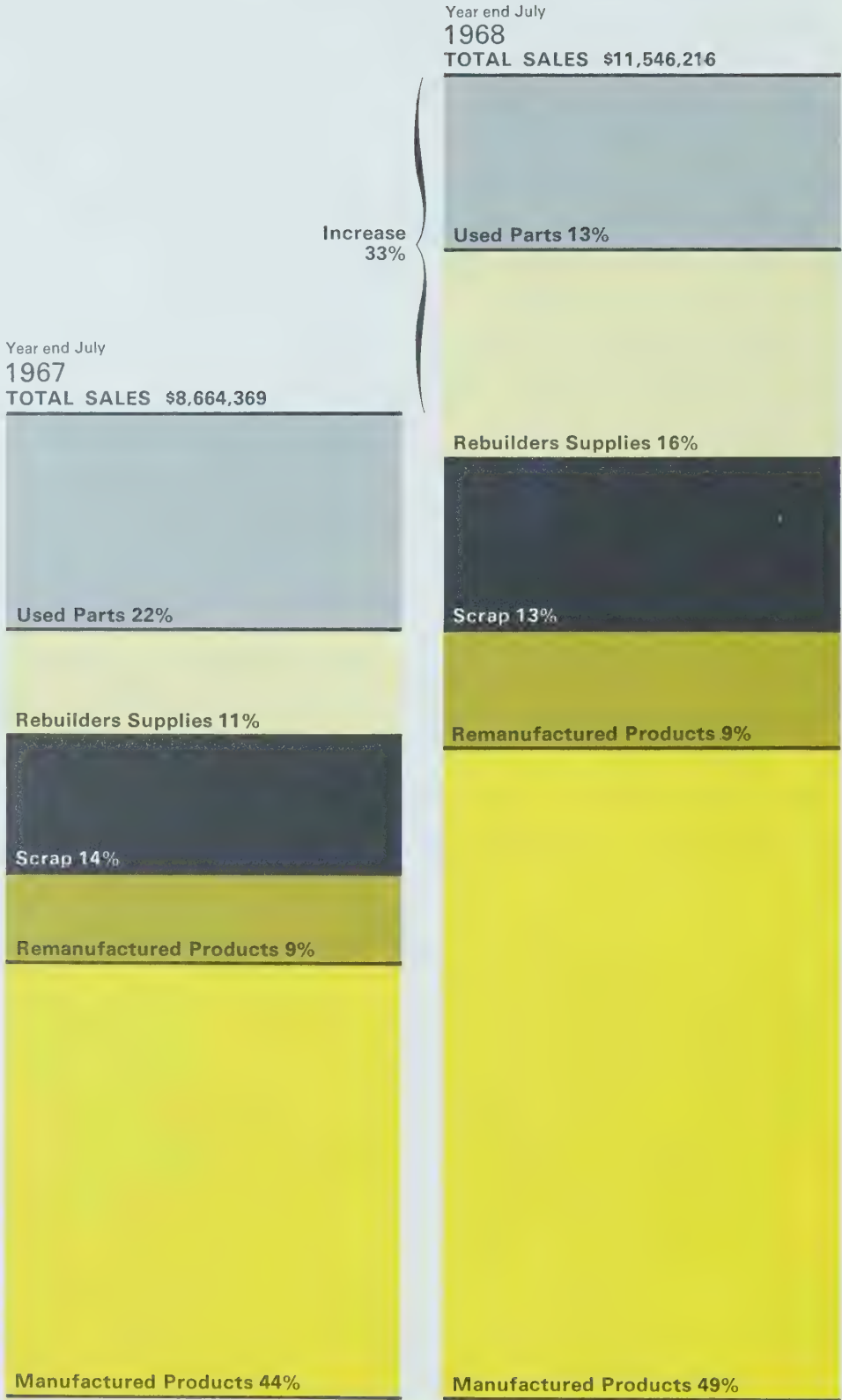
Clutch Parts
Covers
Pressure Plates
Diaphragms
Levers
Discs and Parts

Engine Parts
Oil Pump Kits
Oil Pumps
Rocker Arm
Assemblies
Rocker Arm Parts

Electric Parts
Starter Drive
St. Drive Parts
Gen. Pulleys
Alternators

Growth and Diversification

10 These bar charts show the comparison in total sales and make up of sales by classification for the two twelve month periods ending July 31, 1967 and July 31, 1968, respectively.



For comparative purposes, the period ending July 31, 1967 includes the sales of all of the companies acquired as at August 1, 1967.

Consolidated Statement of Income

Year Ended July 31, 1968 (with comparative figures for 1967)

Aimco Industries Limited and subsidiary companies

	1968	1967 Pro forma (note 9)	1967
Net sales	\$11,546,216	\$8,664,369	\$1,741,150
Costs and operating expenses other than depreciation and interest on long term debt	10,405,992	7,691,568	1,469,212
Depreciation (note 7)	204,321	186,672	45,921
Interest on long term debt	128,704	11,252	
	<u>10,739,017</u>	<u>7,889,492</u>	<u>1,515,133</u>
Income before income taxes	807,199	774,877	226,017
Income taxes	<u>391,616</u>	<u>364,100</u>	<u>108,000</u>
Net income for the year	<u>\$ 415,583</u>	<u>\$ 410,777</u>	<u>\$ 118,017</u>

Consolidated Statement of Retained Earnings

Year Ended July 31, 1968 (with comparative figures for 1967)

	1968	1967
Balance at beginning of year	\$ 730,847	\$ 612,830
Adjustment of inventory of subsidiary company acquired as at August 1, 1967 to eliminate inter-company profit at date of acquisition	48,882	
	<u>681,965</u>	<u>612,830</u>
Net income for the year	415,583	118,017
	<u>1,097,548</u>	<u>730,847</u>
Debenture discount and issue expenses less income taxes of \$16,000 applicable thereto	115,478	
Balance at end of year	<u>\$ 982,070</u>	<u>\$ 730,847</u>

Consolidated Balance Sheet – July 31, 1968

(with comparative figures at July 31, 1967)

Aimco Industries Limited and subsidiary companies

(Incorporated under the laws of Ontario)

Assets	1968	1967
<i>Current Assets</i>		
Cash	\$ 57,783	\$ 3,396
Government of Canada bonds, at cost	962	962
Accounts receivable	2,330,552	25,590
Receivable from a shareholder	84,444	
Receivable from affiliated partnership, Aimco Automotive Industries . .		602,323
Inventories, at lower of cost and net realizable value	3,173,553	239,623
Prepaid expenses and deposits	64,517	8,074
	<u>5,711,811</u>	<u>879,968</u>
<i>Fixed Assets, at cost</i>		
Land	130,032	
Buildings	1,173,080	
Machinery and equipment	1,806,445	348,579
	<u>3,109,557</u>	<u>348,579</u>
Less accumulated depreciation	941,737	229,967
	<u>2,167,820</u>	<u>118,612</u>
	<u>\$7,879,631</u>	<u>\$ 998,580</u>

Approved by the Board

Irving B. Goodman, Director

Winfield A. Green, Director

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Liabilities**1968****1967***Current Liabilities*

Bank advances (secured)	\$1,200,100	\$ 14,802
Accounts payable and accrued liabilities	1,265,860	40,563
Taxes payable	360,834	127,498
Payable to shareholders		34,350
Loan payable	50,000	50,000
Principal instalments due within one year on long term debt	74,743	
	<u>2,951,537</u>	<u>267,213</u>

Long Term Debt, non-current portion (note 2) 2,591,706

Deferred Income Taxes (note 3) 14,115

Shareholders' Equity

Capital stock (note 4)

Authorized—2,000,000 shares without par value

Issued — 605,661 shares (1967—150,000 shares) 1,340,203 520

Retained earnings (note 5) 982,070 730,847

2,322,273 731,367

\$7,879,631 \$ 998,580

Commitments and contingent liabilities (note 6)

Auditors' Report

Thorne,
Gunn,
Helliwell
& Christenson

CHARTERED ACCOUNTANTS

To the Shareholders of Aimco Industries Limited

We have examined the consolidated balance sheet of Aimco Industries Limited and subsidiary companies as at July 31, 1968 and the consolidated statements of income, retained earnings and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these consolidated financial statements present fairly the financial position of the companies as at July 31, 1968 and the results of their operations and the source and application of their funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year except for the change which we approve in the method of computing annual depreciation charges as explained in note 7 to the financial statements.

Thorne, Gunn, Helliwell & Christenson

Chartered Accountants

Toronto, Canada
October 16, 1968.

Consolidated Statement of Source and Application of funds

Year Ended July 31, 1968 (with comparative figures for 1967)

Aimco Industries Limited and subsidiary companies

	1968	1967
<i>Source of funds</i>		
Operations		
Net income for the year	\$ 415,583	\$ 118,017
Items not involving a current outlay of funds		
Depreciation	204,321	45,921
Deferred income taxes	14,115	
	<u>634,019</u>	<u>163,938</u>
Issue of shares	1,339,683	
Issue of debentures	1,900,000	
Other long term debt issued and assumed	488,919	
Working capital of businesses acquired	642,870	
Disposal of fixed assets	16,750	5,629
	<u>5,022,241</u>	<u>169,567</u>
<i>Application of funds</i>		
Cost of businesses acquired	1,302,887	
Investment in fixed assets	1,448,248	31,777
Reduction in non-current portion of long term debt	108,109	
Debenture issue expenses, less income taxes	15,478	
	<u>2,874,722</u>	<u>31,777</u>
Increase in working capital	2,147,519	137,790
Working capital at beginning of year	<u>612,755</u>	<u>474,965</u>
Working capital at end of year	<u>\$2,760,274</u>	<u>\$ 612,755</u>

The shares were issued as consideration for the investment in businesses acquired and on conversion of debentures.

Notes to Consolidated Financial Statements, July 31, 1968

Aimco Industries Limited

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1. Basis of Consolidation and Currency Conversion

The consolidated financial statements include the accounts of all subsidiary companies, all of which are wholly owned. The principal operating subsidiaries are Aimco Automotive Industries of Buffalo, Inc. and Seaway Salvage, Inc.

In the consolidation all inter-company transactions including inter-company profits in year end inventories have been eliminated, and income taxes applicable to inter-company profits have been charged to deferred income taxes (note 3).

The statements of the United States subsidiaries have been converted into Canadian dollars on the following basis: current assets and current liabilities at the exchange rate prevailing at July 31, 1968; fixed assets (including depreciation thereon) at the rates prevailing at the dates of purchase; long term debt and capital stock at the rates prevailing at the dates of issue; revenue and expenses other than depreciation provisions at the average rates of exchange during the year.

The comparative figures for 1967 are for the company only, except for the statement of income (note 9), as the subsidiary companies were not acquired until August 1, 1967.

2. Long Term Debt, non-current portion

Aimco Industries Limited

Equipment contracts payable (secured)	\$ 19,147
7½% Mortgage due 1971	97,850
7½% Mortgage due 1977	114,578
7% Mortgage due 1984	148,702
7½% Convertible debentures Series A due 1988	1,963,000

Aimco Automotive Industries of Buffalo, Inc.

8% Note (secured by mortgage) due 1982 (U.S. \$121,627)	131,376
3¼% Note (secured by mortgage) due 1982 (U.S. \$ 77,007)	83,072
636 Babcock Street, Inc.	
6% Note (secured by mortgage) due 1976 (U.S. \$ 33,500)	33,981
	<u>\$2,591,706</u>

3. Deferred Income Taxes

Deferred income tax credits arise because the companies intend to claim depreciation for income tax purposes in excess of that charged to income and also from investment credits (U.S. subsidiary companies) which will be taken into income over the estimated life of the fixed assets involved. These credits have been reduced by the income tax applicable to inter-company profits in year end inventories. As these profits are realized the applicable tax will be charged to income.

4. Capital Stock

The company issued the following shares during the year ended July 31, 1968:

- (a) 30,000 shares in exchange for all of the issued shares of Seaway Salvage, Inc. valued at \$304,756 being an amount equal to the book value of the shares acquired;
- (b) 10,000 shares in exchange for all of the issued shares of 636

Babcock Street, Inc., valued at \$53,585 being an amount equal to the book value of the shares acquired;

- (c) 410,000 shares in exchange for the net assets of Aimco Automotive Industries (a partnership), valued at \$944,546 being an amount equal to the book value of the net assets acquired; and
- (d) 5,661 shares for \$36,796 on conversion of debentures.

30,000 shares may be issued to employees pursuant to an employee stock option plan. At July 31, 1968 options expiring in 1973 were outstanding on 26,700 shares at \$5.00 per share.

Unissued shares have been reserved for issue upon the conversion of the 7½% convertible sinking fund debentures Series A and on exercise of employees' stock options.

5. Dividend Restrictions

The trust indenture under which the debentures are issued contains certain provisions restricting the payment of dividends. At July 31, 1968 there was no portion of retained earnings available for the payment of dividends under the most stringent of these provisions.

6. Commitments and Contingent Liabilities

The company is negotiating to acquire all of the issued shares of another company for approximately \$2,500,000, payable partly in cash and partly by the issue of shares of the company's capital stock.

There is a lawsuit against the company in the amount of \$102,000 by reason of an alleged breach of a verbal contract which action is being defended in every respect and against Aimco Automotive Industries of Buffalo, Inc. in the amount of U.S. \$100,000 for damages resulting from an allegedly faulty product component. If this latter claim is successful the company will have a right of action against the supplier of the component. The actual liability, if any, is indeterminable at this time and no provision for loss has been made in the accounts.

7. Depreciation

Effective August 1, 1967 depreciation has been computed on a straight line method on substantially all of the depreciable assets. This change had the effect of increasing net income for 1968 by \$25,000 after the related income tax effect.

8. Remuneration of Directors and Senior Officers

The aggregate direct remuneration of directors and senior officers of the company was \$217,345 (1967-\$80,080).

9. Comparative Figures

A pro forma combined statement of income for the year ended July 31, 1967 has been provided for comparative purposes and includes the statements of businesses which were acquired as at August 1, 1967. Canadian income taxes included therein have been adjusted to the following basis:

Income before income taxes of the Canadian businesses, including the partnership acquired, have been considered as the taxable income of one taxable Canadian corporation and income taxes computed accordingly.



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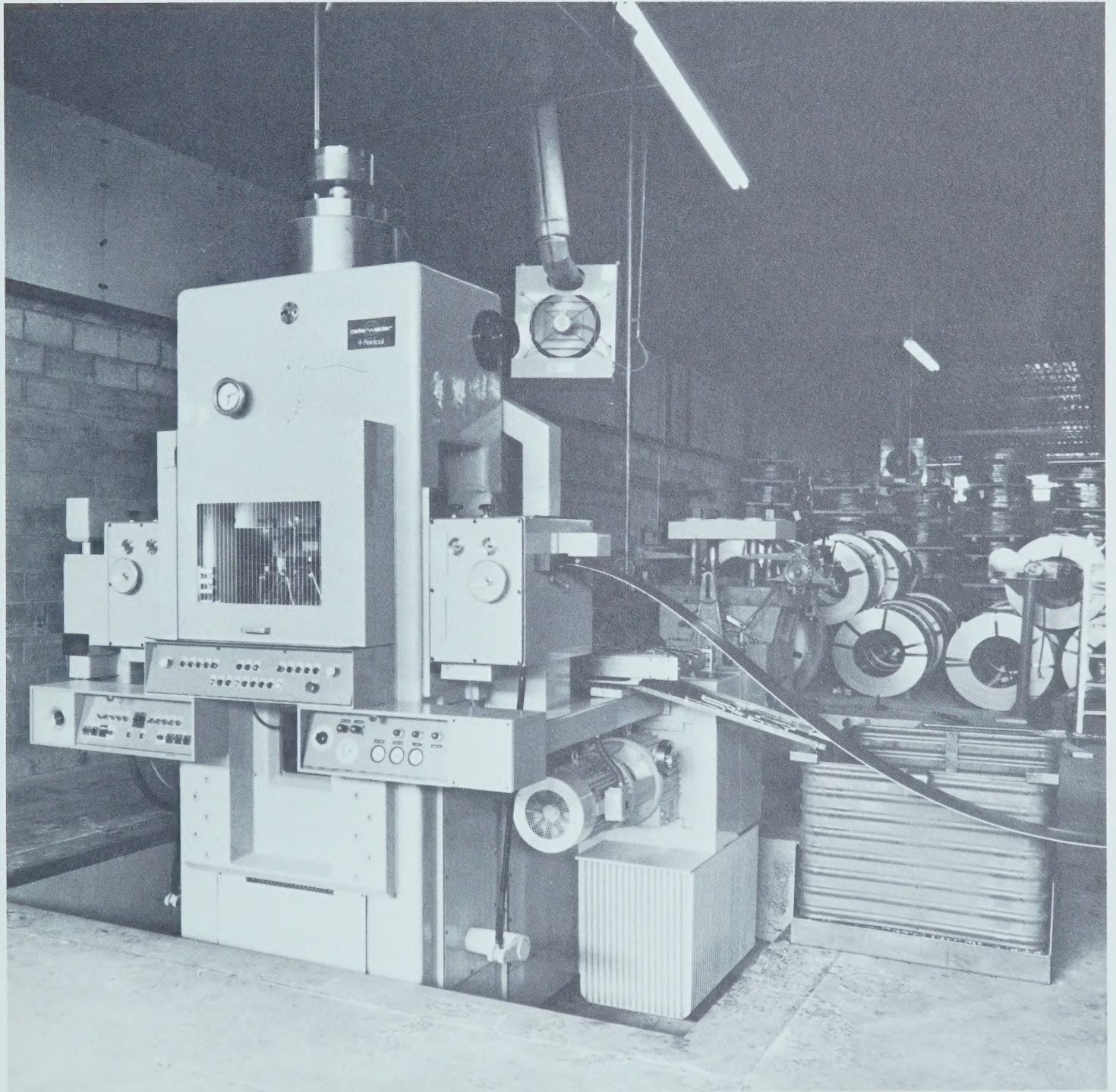
TRADITIONALLY DEPENDABLE

Aimco products are sold in Canada and the U.S. by a sales staff headquartered at Dixie Road, Cooksville. In addition to our sales staff, we employ sales agents to cover all areas completely. We have warehousing arrangements with reputable warehouses throughout the United States, and maintain a fleet of tractor trailers to deliver products from our inventory to these warehouse distributors across the country.

In the interest of supplying a full line of automotive parts, including foreign vehicles, your company purchases from sources throughout the world.

The Future: Vehicle registration continues to rise year after year and therefore the need of replacement service parts continues to grow. Your company's management is continuing its aggressive attitude to improve its share of this larger market. At the present time we are studying various marketable products as additions to the Aimco line. Aimco will continue to expand its facilities in all areas so that continued growth will be maintained.

Your company is making definite plans to take advantage of the automotive trade pact between the U.S. and Canada by acquisition and independent methods.



Fully automatic triple action 250 ton fine flow press, programmed to manufacture steel disc pads for the brake industry. This represents one of the most highly developed, sophisticated units of production equipment available to the stamping industry.





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TELEX 02-2229
CABLE: AIMCO-AUTO

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AIMCO AUTOMOTIVE INDUSTRIES • 5150 DIXIE RD., COOKSVILLE (TORONTO) CANADA • TEL. (416) 625-1830

December 19, 1968

TO OUR SHAREHOLDERS:

We are pleased to be able to tell you that since our annual report was sent to press we have signed an agreement to purchase all of the outstanding shares of Ralph Milrod Metal Products Limited of Toronto. The agreement is subject to the fulfilment of certain usual terms and conditions. Completion of the acquisition is expected to take place on or before January 31, 1969.

Terms of the acquisition include a payment in cash and 75,000 Aimco shares. Details of the terms, and of the sales and earnings of Milrod will be made available after completion.

Milrod is expected to enhance Aimco's earnings, both in total and on a per-share basis. By providing opportunities for new product development, both in Milrod and in all divisions of Aimco, the acquisition will increase the growth potential of your Company both in sales and earnings.

Milrod manufactures original equipment parts for the automobile manufacturers and it is the intention to expand and continue this business. Aimco manufactures automotive parts for the after-market. The combined operation will thus have the benefit of both marketing philosophies and there will be some opportunity for integration.

Under Ralph Milrod and L. S. Brody, who will both continue in their present capacities with the company, Milrod has earned an enviable reputation for its engineering and manufacturing skills. It presently operates from a 40,000 sq. ft. plant at 131-155 McCormack St, Toronto, with 150 employees. It is a specialized fabricator of stamped and welded assemblies for which it designs and manufactures the dies it requires.

The principal shareholders of Aimco and of Milrod have known each other for a long period of years and have had business contacts in the past. The Milrod principals will bring both engineering and management strength to the combined operation.

President



